

contained in the Act were put into force by a Eoyal Proclamation in respect of "certain bills of exchange," where, on the presentation for payment of such a bill, other than a cheque or bill on demand, accepted prior to the 4th August, 1914, the acceptor reaccepts the document (in a form prescribed) the bill shall, for all purposes, including the liability of any drawer or endorser or any other party thereto, be deemed to become payable at the end of one month subsequent to the date of its original maturity—the amount expressed in the bill being increased by interest calculated from the time of reacceptance to the deferred date at the rate of discount of the Bank of England current on the day of reacceptance. In this mode an attempt was made to assist the "accepting" houses, the restoration of the foreign exchanges, and the Import and Export activity of the country. Subsequently, additional measures were instituted, to be hereafter described. The wise precaution was also exercised by Parliament of extending the Bank Holiday of the 3rd August for three additional days in connection with banks—thus continuing the vacation to the close of August the 6th.

*August
4:th.*

The momentous historic event of this day" was the public announcement by Government that, owing to the summary rejection by Germany of our request for assurances that the neutrality of Belgium would be respected, a state of war now existed between Great Britain and Germany. The German army had invaded Belgium, whose neutrality had been solemnly proclaimed and contracted by Treaty to which Germany itself and the other Powers were signatories.

The addition of three days to the Bank Holiday, besides its tendency to restore calmness of perception and judgment, possessed the further advantage of enabling the Treasury to prepare and issue notes for £1 and 10s. as a subsidiary currency to the £5 notes. This currency, besides obviating the use of gold in settling transactions, was

contentedly accepted by the public by reason of its convertibility into coin at the Bank of England. But the innovation of the issue by the Treasury in place of the natural' source, the Bank itself, was